

**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

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**FILE:** B-216331**DATE:** December 7, 1984**MATTER OF:** Alternative House**DIGEST:**

Decision to cancel solicitation for residential treatment services lacks a sound basis where justification for cancellation is based upon agency's determination that an additional residential treatment facility is not needed in the area yet record reflects that agency has issued a new solicitation for the same services.

Alternative House protests the cancellation of request for proposals (RFP) No. 276-053 issued by the United States Department of Justice, Bureau of Prisons (Bureau), for the provision of residential treatment services in El Paso, Texas. Alternative House contends that the cancellation was improper and requests that the canceled solicitation be reinstated.

We sustain the protest.

The RFP was issued on June 27, 1984, and specified a closing date of August 8, 1984. Three offers were received. By letter dated September 4, however, the contracting officer notified Alternative House that no award would be made and that the solicitation was canceled. The Bureau states that another firm was already providing the same type of residential treatment services under a separate contract and it was determined that two residential facilities of the same type in the same area were not needed. Instead, the Bureau indicates that it intended to amend the contract already in effect to accommodate the requirements which were solicited. The Bureau argues that because only one residential treatment facility was needed in the El Paso area, the cancellation of the RFP was proper.

Our decisions recognize that an agency must have a "reasonable basis" for its decision to cancel a solicitation in a negotiated procurement. N.V. Philips Gloellampenfabriken, B-207485.3, May 3, 1983, 83-1 C.P.D. ¶ 467. While the Bureau asserts that cancellation was justified in this case because only one residential

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treatment facility is needed in the El Paso area, the Bureau has advised our Office that a new solicitation has subsequently been issued for the same services that were solicited in the canceled RFP. The Bureau has offered no reason as to why an additional treatment facility in the El Paso area is now considered necessary and why its proffered explanation for canceling the earlier RFP is no longer applicable. In fact, the contracting officer reports that the only difference between the new solicitation and the prior one is the reduction of mandays from 7,620 to 7,000, which, the contracting officer states, "is not considered to be a significant difference . . . ." In view of these circumstances, we find no sound basis for the cancellation of this solicitation. Accordingly, we recommend that RFP No. 276-053 be reinstated and an award be made under that solicitation.

This decision contains a recommendation for corrective action to be taken. Therefore, we are furnishing copies to the Senate Committees on Governmental Affairs and Appropriations and the House Committees on Government Operations and Appropriations in accordance with section 236 of the Legislative Reorganization Act of 1970, 31 U.S.C. § 720 (1982), which requires the submission of written statements by the agency to the committees concerning the action taken with respect to our recommendation.

Acting

*Milton J. Fowler*

Comptroller General  
of the United States